



Foreign Agricultural Service

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Turkey

Oilseeds and Products

Sunflowerseed and Sunoil Import Duty Changes

2001

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Report Highlights:

The GOT announced a decree reducing the import duties on sunflowerseed to zero from 27.9 percent and sunflowerseed oil to 12 percent from 37.2 percent. The measure is intended to control recent speculation on domestic crude sun oil prices which jumped to US\$900 during late October from US\$600 in early August. While the decree is expected to increase imports of sunflowerseed and sunoil as reported earlier (TU 1046), it is not expected to lower imports of other oils such as soyoil and corn oil.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Ankara [TU1], TU

Executive Summary

In an effort to control domestic sun oil prices and provide lower-cost supplies to crushers, refiners and exporters, the GOT announced a decree lowering the sunflowerseed import duty to zero from 27.9 percent. The crude sunflowerseed oil duty was reduced to 12 percent from 37.2 percent. Due to a lack of domestic sunflower seed, regional supplies and high tariffs, domestic sun oil prices increased about fifty percent in dollar terms during the past three months. The GOT lowered the import taxes of both commodities to stop speculation and control already high domestic inflation (over eighty percent).

Following the announcement C&F prices of both commodities started to decline. The sunflowerseed price fell to US\$295 from US\$360 and crude sun oil prices fell to US\$585 from US\$900. The decree will equalize the import taxes of the most commonly consumed oils in Turkey, i.e., sun, soy, corn, and palm. The decree is expected to increase imports of sunflowerseed and crude sun oil as stated in the recent update (TU 1046) but will not adversely affect imports of other oils. Corn oil and soybean oil imports will not be affected since corn oil benefits from its healthy image and soy oil benefits from low world price.

In an additional decree the GOT also announced that there will be a bonus to be paid to sunflowerseed, seed cotton, olive oil, soybean and canola production this year. Actual amounts of bonuses will be determined by a committee which will consist of members from Treasury, Ministry of Agriculture and the Ministry of Trade and Industry. The GOT paid a bonus of six cents per kilo for sunflowerseed last year.